

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF THE UNION LIGHT,)	CASE NO. 9029-C
HEAT AND POWER COMPANY)	

O R D E R

On October 24, 1984, the Commission issued its Order in Case No. 9029, approving certain rates and providing for adjustments of these rates on a quarterly basis in accordance with the provisions of the gas cost adjustment clause set forth therein.

On May 31, 1985, The Union Light, Heat and Power Company ("Union") filed its revised quarterly gas cost adjustment which is to become effective July 1, 1985, and is to remain in effect until September 30, 1985. On July 2, 1985, Union revised its adjustment to reflect the settlement rates of Columbia Gas Transmission Corporation and purchases from Tenneco Oil Company.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Union's notice of July 2, 1985, set out certain revisions in rates which Union proposed to place into effect, said rates being designed to pass on the wholesale decrease in gas costs from its suppliers in the amount of \$27,857,754 or 41.5 cents per Mcf.

(2) Union's notice set out a total refund adjustment of 5.9 cents per Mcf, replacing the previous adjustment of 4.4 cents

per Mcf. This adjustment includes a current quarter supplier refund of \$166,698 plus interest which is due Union's customers.

(3) Union's notice set out a total actual adjustment of 18.5 cents per Mcf to compensate for previous over-recovery of gas cost by the company through the operation of its gas cost recovery procedure.

(4) Union's notice set out a balance adjustment of 16.4 cents per Mcf to compensate for over- and under-collections which occurred as a result of previous gas cost, refund and balance adjustments.

(5) Union's calculation of the proposed gas cost recovery rate for exempt customers contained a computational error. The rate should be \$3.838 per Mcf rather than \$3.927 as proposed.

(6) Union's gas cost recovery rate for exempt customers in the amount of \$3.838 per Mcf is a decrease of \$0.538 per Mcf from the previously authorized rate. This decrease represents the combined effect of the supplier decrease, refund, actual and balancing adjustments.

(7) Union's adjustment in rates set out in the Appendix to this Order is fair, just and reasonable and in the public interest and should be effective with bills rendered on and after July 1, 1985, or as soon as practicable thereafter.

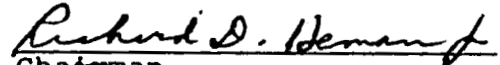
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective for bills rendered on and after July 1, 1985, or as soon as practicable thereafter.

IT IS FURTHER ORDERED that the gas cost recovery rate for exempt customers shall be \$3.838 per Mcf.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Union shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of July, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 9029-C DATED July 1, 1985.

The following rates and charges are prescribed for the customers served by Union Light, Heat and Power Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATE GS

GENERAL SERVICE

Customer Charge per month:

Residential Service	\$4.50
Non-Residential Service	\$6.00

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All gas used	14.49¢ plus	38.38¢	equals 52.87¢ per 100 cu. ft.

Minimum Bill: The minimum monthly charge shall be the customer charge as stated above.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE F

Special Contract - Firm Use

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All gas used	7.97¢ plus	38.38¢	equals 46.35¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE OP

OFF PEAK

NET MONTHLY BILL

Computed in accordance with the following charges:

(1) Firm Use shall be billed in accordance with Rate GS, General Service;

(2) Off Peak Gas (i.e., Gas in excess of Firm Use) shall be billed in accordance with the following:

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
All consumption	5.00¢ plus	38.38¢	equals	43.38¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.